



Environmental Quality Incentives Program APPLICATION RANKING SYSTEM

Fact Sheet

Background

The Environmental Quality Incentives Program (EQIP) was established in the 1996 Farm Bill to provide a single, voluntary conservation program for farmers and ranchers to address significant natural resource needs and objectives. It replaces four former USDA conservation programs. USDA's Natural Resources Conservation Service (NRCS) has leadership for EQIP, and works with USDA's Farm Service Agency (FSA) to set the program's policies, priorities, and guidelines.

Because USDA expects to receive far more applications for participation in EQIP than existing funding levels can accommodate, a system for evaluating applications has been developed. Under this system, projects are selected through a competitive process in which applications are ranked on a number of factors, representing environmental benefits and costs.

Offer Index= Environmental Benefit/Cost: How the System Works

Acceptance into the program is based on an *offer index*, the ratio between the environmental benefit and cost. The environmental points are assigned to the plan based on conservation practice benefits needed to solve the resource problem and are designed locally. Based on local natural resource concerns, criteria used in the offer index are developed by a local work group led by the Resource Conservation District. Although the local work group recommends ranking criteria, it does not have a vote in the approval process.

Because the competitive process aims to maximize environmental benefits per dollar expended, an applicant can improve the attractiveness of the proposal by accepting lower program payments than authorized or by developing a management system that increases environmental benefits. When NRCS receives an application to participate in EQIP, it determines the landowner's offer and uses the offer index to rank the application. The landowner is then informed of the application's ranking and is given at least one opportunity to accept lower program payments or to increase the project's environmental benefits. Changing the benefit/cost ratio may improve the ranking and increase the proposal's chances for acceptance.

For More Information

NRCS, FSA, the Cooperative Extension Service, or your local Resource Conservation District can provide more information. Your USDA Service Center is listed in the telephone book under U.S. Department of Agriculture. Information is also available on NRCS's World Wide Web site: <http://www.nrcs.usda.gov/>